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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

MATTHEW STEPHENSON, as an
individual and on behalf of others similarly
situated,

Plaintiff,

v.

AMAZON.COM INC., a Delaware
corporation; AMAZON.COM SERVICES
LLC, a Delaware limited liability
corporation; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO. 3:24-cv-03001-RFL

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR:**

- (1) VIOLATION OF LABOR CODE §
227.3;**
- (2) VIOLATION OF BUSINESS &
PROFESSIONS CODE § 17200, ET
SEQ.;**

DEMAND OVER \$25,000.00

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Attorneys for Plaintiff Matthew Stephenson and the Class

1 Plaintiff Matthew Stephenson (“Plaintiff”) hereby submits this First Amended Class Action
 2 Complaint against Amazon.com Inc., Amazon.com Services LLC, and DOES 1-100 (hereinafter
 3 collectively referred to as “Defendants” or “Amazon”) on behalf of himself and all other similarly
 4 situated current and former employees of Defendants for penalties and/or damages for violation of the
 5 California Labor Code, and restitution for unfair business practices in violation of Business and
 6 Professions Code section 17200 *et seq.*, as follows:

7 **INTRODUCTION**

8 1. This class action complaint challenges systemic illegal employment practices resulting
 9 in violations of California Labor Code section 227.3, California Business and Professions Code section
 10 17200 *et seq.* (the “UCL”), and the applicable Wage Orders of the California Industrial Welfare
 11 Commission (“IWC”).

12 2. Plaintiff is informed and believes and based thereon alleges that Defendants, jointly and
 13 severally have acted intentionally and with deliberate indifference and conscious disregard to the rights
 14 of all employees by: (a) failing to pay earned, but unused Paid Personal Time (“PPT”) upon separation
 15 of employment, in violation of Labor Code section 227.3; and (b) engaging in Unfair Business Practices
 16 in violation of the UCL, the California Labor Code and the applicable IWC Wage Orders.

17 3. Plaintiff is informed and believes and based thereon alleges that Defendants have
 18 engaged in, among other things, a system of willful violations of the California Labor Code, Business
 19 and Professions Code and applicable IWC wage orders by creating and maintaining policies, practices
 20 and customs that knowingly deny employees their wages, such as PPT.

21 4. The policies, practices and customs of Defendants described above and below have
 22 resulted in unjust enrichment of Defendants and an unfair business advantage over businesses that
 23 routinely adhere to the strictures of the California Labor Code, Business and Professions Code and
 24 applicable IWC wage orders.

25 **JURISDICTION AND VENUE**

26 5. The Court has jurisdiction of the violations of the California Labor Code sections 227.3,
 27 and California Business & Professions Code section 17200, *et seq.*

1 Defendants are sued under such fictitious names, and Plaintiff prays leave to amend this complaint when
2 the true names and capacities are known. Plaintiff is informed and believes and based thereon alleges
3 that each of said fictitious Defendants was responsible in some way for the matters alleged herein and
4 proximately caused Plaintiff and members of the general public and class to be subject to the illegal
5 employment practices, wrongs and injuries complained of herein.

6 14. At all times herein mentioned, each of said Defendants participated in the doing of the
7 acts hereinafter alleged to have been done by the named Defendants; and furthermore, the Defendants,
8 and each of them, were the agents, servants and employees of each of the other Defendants, as well as
9 the agents of all Defendants, and were acting within the course and scope of said agency and
10 employment.

11 15. Plaintiff is informed and believes and based thereon alleges that at all times herein
12 mentioned, each of the named Defendants was the joint employer, agent, employer, alter ego and/or
13 joint venturer of, or working in concert with each of the other co-Defendants and was acting within the
14 course and scope of such agency, employment, joint venture, or concerted activity. To the extent said
15 acts, conduct, and omissions were perpetrated by certain Defendants, each of the remaining Defendants
16 confirmed and ratified said acts, conduct, and omissions of the acting Defendants.

17 16. At all times herein mentioned, Defendants, and each of them, were members of, and
18 engaged in, a joint venture, partnership and common enterprise, and were acting within the course and
19 scope of, and in pursuance of, said joint venture, partnership and common enterprise.

20 17. At all times herein mentioned, the acts and omissions of various Defendants, and each of
21 them, concurred and contributed to the various acts and omissions of each and all of the other Defendants
22 in proximately causing the injuries and damages as herein alleged. At all times herein mentioned,
23 Defendants, and each of them, ratified each and every act or omission complained of herein. At all
24 times herein mentioned, the Defendants, and each of them, aided and abetted the acts and omissions of
25 each and all of the other Defendants in proximately causing the damages as herein alleged.

26 **CLASS ACTION ALLEGATIONS**

27 18. **Definition:** The named individual Plaintiff seeks class certification, pursuant to
28 California Code of Civil Procedure section 382, of the following class:

a. All former employees of Defendants who: (i) worked at Amazon warehouses, distribution centers, and fulfillment centers in California in a position eligible to earn PPT; (ii) whose employment ended (either voluntarily or involuntarily) at any time from April 2, 2021, through the present; and (iii) at the time of separation had not hit any balance or accrual cap on PPT imposed by Defendants (“PPT Class” or “PPT Class Members”).¹

19. **Numerosity and Ascertainability:** The members of the Classes are so numerous that joinder of all members would be impractical, if not impossible. The identity of the members of the Class is readily ascertainable by review of Defendants’ records, including payroll records. Plaintiff is informed and believes, and based thereon alleges, that Defendants: (a) failed to pay earned, but unused Paid Personal Time upon separation of employment, in violation of Labor Code section 227.3; and (b) engaged in Unfair Business Practices in violation of the UCL, the California Labor Code and the applicable IWC Wage Orders.

20. **Adequacy of Representation:** The named Plaintiff is fully prepared to take all necessary steps to represent fairly and adequately the interests of the Class defined above. Plaintiff’s attorneys are ready, willing, and able to fully and adequately represent the Class and the individual Plaintiff. Plaintiff’s attorneys have prosecuted and settled wage-and-hour class actions in the past and currently have a number of wage-and-hour class actions pending in California state and federal courts.

21. **Common Question of Law and Fact:** There are predominant common questions of law and fact and a community of interest amongst Plaintiff and the claims of the Class concerning Defendants’ policy and practice of: (a) failing to pay earned, but unused Paid Personal Time upon separation of employment, in violation of Labor Code section 227.3; and (b) engaging in Unfair Business Practices in violation of the UCL, the California Labor Code and the applicable IWC Wage Orders.

22. **Typicality:** The claims of Plaintiff are typical of the claims of all members of the Class in that Plaintiff has suffered the harms alleged in this Complaint in a similar and typical manner as the Class Members. As with all members of the Class, Defendants offered Plaintiff Paid Personal Time as a form of deferred compensation. During his employment with Defendants, Plaintiff earned toward a

¹ Plaintiff refers to the PPT Class as the “Class” and/or “Class Members.”

1 set of promised Paid Personal Time days, which could be used for any purpose, including vacation.
2 However, as a matter of corporate policy, such earned Paid Personal Time is forfeited and not cashed
3 out upon separation of employment. Upon separation of employment, Defendants failed to pay
4 Plaintiff earned and vested Paid Personal Time.

5 23. To date, Plaintiff has yet to receive the underpaid and/or unpaid Paid Personal Time.
6 On information and belief, Defendants are advised by skilled lawyers and have litigated many wage
7 and hour actions predicated on the California Labor Code such that they knew or should have known
8 of the violations alleged herein. Accordingly, Defendants acted willfully in failing to pay employees
9 the wages alleged to be owed in this action. Thus, Defendants are liable for waiting time penalties
10 under Labor Code section 203.

11 24. The California Labor Code upon which Plaintiff bases these claims are broadly
12 remedial in nature. These laws and labor standards serve an important public interest in establishing
13 minimum working conditions and standards in California. These laws and labor standards protect the
14 average working employee from exploitation by employers who may seek to take advantage of
15 superior economic and bargaining power in setting onerous terms and conditions of employment.

16 25. The nature of this action and the format of laws available to Plaintiff and members of
17 the class identified herein make the class action format a particularly efficient and appropriate
18 procedure to redress the wrongs alleged herein. If each employee were required to file an individual
19 lawsuit, the corporate defendants would necessarily gain an unconscionable advantage since it would
20 be able to exploit and overwhelm the limited resources of each individual plaintiff with their vastly
21 superior financial and legal resources. Requiring each class member to pursue an individual remedy
22 would also discourage the assertion of lawful claims by employees who would be disinclined to file an
23 action against their former and/or current employer for real and justifiable fear of retaliation and
24 permanent damage to their careers at subsequent employment.

25 26. The prosecution of separate actions by the individual class members, even if possible,
26 would create a substantial risk of (a) inconsistent or varying adjudications with respect to individual
27 class members against Defendants and which would establish potentially incompatible standards of
28 conduct for Defendants, and/or (b) adjudications with respect to individual class members which

1 would, as a practical matter, be dispositive of the interest of the other class members not parties to the
 2 adjudications or which would substantially impair or impede the ability of the class members to
 3 protect their interests. Further, the claims of the individual members of the class are not sufficiently
 4 large to warrant vigorous individual prosecution considering all of the concomitant costs and
 5 expenses.

6 27. Such a pattern, practice and uniform administration of corporate policy regarding
 7 illegal employee compensation described herein is unlawful and creates an entitlement to recovery by
 8 Plaintiff and the Classes identified herein, in a civil action, for unpaid wages, including interest
 9 thereon, applicable penalties, reasonable attorneys' fees, and costs of suit according to the mandate of
 10 California Labor Code section 218.5 and 227.3, and Code of Civil Procedure section 1021.5.

11 28. Proof of a common business practice or factual pattern, which the named Plaintiff
 12 experienced and is representative of, will establish the right of each of the members of the Class to
 13 recovery on the causes of action alleged herein.

14 29. The Class is commonly entitled to a specific fund with respect to the compensation
 15 illegally and unfairly retained by Defendants. The Class is commonly entitled to restitution of those
 16 funds being improperly withheld by Defendants. This action is brought for the benefit of the entire
 17 Class and will result in the creation of a common fund.

18 **FIRST CAUSE OF ACTION**

19 **VIOLATION OF LABOR CODE § 227.3**

20 **(Against All Defendants by Plaintiff and the PPT Class)**

21 30. Plaintiff hereby incorporates by reference all preceding paragraphs as alleged above as
 22 if fully set forth herein.

23 31. This cause of action is brought pursuant to Labor Code section 227.3, which prohibits
 24 employers from forfeiting the vested PPT wages of their employees upon separation of employment.

25 32. Defendants offered PPT Class Members Paid Personal Time as a form of deferred
 26 compensation. PPT Class Members earned toward a set of promised Paid Personal Time days, which
 27 could be used for any purpose, including vacation. However, such earned Paid Personal Time is forfeited
 28 and not cashed out upon separation of employment. As a matter of uniform corporate policy, Defendants

1 did not pay PPT Class Members earned and vested Paid Personal Time upon separation of employment.
 2 To date, Plaintiff and PPT Class Members have not received wages representing the unpaid Paid
 3 Personal Time.

4 33. Plaintiff is informed and believes and based thereon alleges Defendants' willful failure
 5 to pay all Paid Personal Time due and owing the Class upon separation from employment results in a
 6 continued payment of wages up to thirty (30) days from the time the wages were due. Therefore, all
 7 members of the Class are entitled to compensation pursuant to Labor Code sections 201, 202 and 203.
 8 The waiting time penalties sought in this Action are premised on claims related to or arising from
 9 Defendants' policies and practices as it relates to Labor Code § 227.3 and PPT only.

10 34. Such a pattern, practice and uniform administration of policy regarding illegal employee
 11 compensation as described herein is unlawful and creates an entitlement to recovery by Plaintiff and the
 12 Class in a civil action, for all damages or penalties pursuant to Labor Code sections 201, 202, 203 and
 13 227.3, including interest thereon, attorneys' fees, and costs of suit according to the mandate of California
 14 Labor Code sections 201, 202, 203, 218.5 and 227.3.

15 **SECOND CAUSE OF ACTION**

16 **VIOLATIONS OF BUSINESS AND PROFESSIONS CODE § 17200, *ET SEQ.***

17 **(Against All Defendants by Plaintiff and the PPT Class)**

18 35. Plaintiff hereby incorporates by reference all preceding paragraphs as alleged above as
 19 if fully set forth herein.

20 36. Defendants have engaged and continue to engage in unfair and unlawful business
 21 practices in California by practicing, employing, and utilizing the employment practices outlined
 22 above, including by: (a) failing to pay earned, but unused Paid Personal Time upon separation of
 23 employment, in violation of Labor Code section 227.3.

24 37. Defendants' utilization of such unfair and unlawful business practices constitutes unfair
 25 and unlawful competition and provides an unfair advantage over Defendants' competitors.

26 38. Plaintiff does not have an adequate remedy at law, and therefore seeks relief under the
 27 Unfair Competition Law ("UCL"). Because the statute of limitations of the UCL is four years, it
 28 provides Plaintiff an avenue of relief for an additional year of restitution for the lost wages alleged and

1 detailed above. Without the UCL, Plaintiff would be left without a legal avenue for recovering those
 2 lost wages. *See, e.g., Cortez v. Purolator Air Filtration Prod. Co.*, 23 Cal. 4th 163, 176 (2000) (noting
 3 under UCL, courts are authorized to “fashion remedies to prevent, deter, and compensate for unfair
 4 business practices” and to restore money to consumers or employees). Accordingly, Plaintiff seeks
 5 restitution through the UCL.

6 39. Plaintiff also pleads this cause of action in the alternative, as he is permitted to do.

7 40. Plaintiff seeks, individually and on behalf of other members of the Class, full restitution
 8 of monies, as necessary and according to proof, to restore any and all monies withheld, acquired
 9 and/or converted by Defendants by means of the unfair practices complained of herein.

10 41. Plaintiff is informed and believes, and based thereon alleges, that at all times herein
 11 mentioned Defendants have engaged in unlawful, deceptive and unfair business practices, as
 12 proscribed by California Business & Professions Code section 17200, *et seq.*, including those set forth
 13 herein above thereby depriving Plaintiff and other Class Members the minimum working standards
 14 and conditions due to them under the California laws as specifically described therein.

15 PRAYER FOR RELIEF

16 WHEREFORE, Plaintiff on his own behalf and on the behalf of the members of the class and
 17 the general public prays for judgment as follows:

- 18 1. For an order certifying the proposed class;
- 19 2. For an order appointing Plaintiff as the representative of the class;
- 20 3. For an order appointing Counsel for Plaintiff as class counsel;
- 21 4. Upon the First Cause of Action, for all unpaid Paid Personal Time, pursuant to Labor
 22 Code section 227.3, for waiting time penalties pursuant to Labor Code sections 201-203
 23 and for costs and attorneys’ fees;
- 24 5. Upon the Second Cause of Action, for restitution to Plaintiff and other similarly affected
 25 members of the general public of all unpaid Paid Personal Time unlawfully acquired by
 26 Defendants by means of any acts or practices declared by this Court to be violative of the
 27 mandate established by California Business and Professions Code section 17200, *et seq.*;

6. For reasonable attorneys' fees, expenses and costs as provided by California Labor Code sections 218.5, 227.3, and Code of Civil Procedure section 1021.5;
7. For all pre- and post-judgment interest; and
8. For such other and further relief the court may deem just and proper.

DATED: November 11, 2024

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